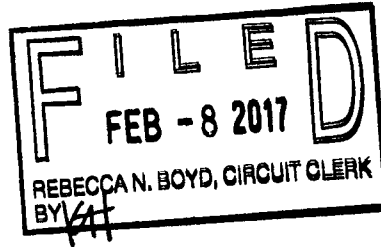


IN THE CIRCUIT COURT OF RANKIN COUNTY, MISSISSIPPI

JIM HOOD, ATTORNEY GENERAL OF  
THE STATE OF MISSISSIPPI, *ex rel.*  
THE STATE OF MISSISSIPPI,  
*Plaintiff,*

v.

SENTINEL OFFENDER SERVICES,  
L.L.C.; CHRISTOPHER B. EPPS;  
ROBERT SIMMONS and DEFENDANT  
DOES 1 through 5,  
*Defendants.*



CIVIL ACTION NO.: 17-26

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COMPLAINT

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COMES NOW, the Plaintiff, Jim Hood, Attorney General of the State of Mississippi, *ex rel.* the State of Mississippi (hereinafter the “State” or “Plaintiff”) and brings this cause of action against Sentinel Offender Services, L.L.C. (hereinafter “Sentinel”); Christopher B. Epps; Robert Simmons and Defendant Does 1 through 5 (collectively “Defendants”), and alleges as follows:

**INTRODUCTION**

1. This action arises from one of the largest and longest-running criminal and civil conspiracies in Mississippi government history. For approximately seven years, multiple individuals and business entities, including one high-ranking government official, were involved in a conspiracy, scheme and/or enterprise (hereinafter “conspiracy”) that included bribery, kickbacks, misrepresentations, fraud, concealment, money laundering and other wrongful conduct—all with the intent to defraud and deprive the State of hundreds of millions of dollars in proceeds from public contracts awarded by the Mississippi Department of Corrections (hereinafter “MDOC”) and paid for by the State. (*See* Exhibit “A” - indictment for *United States*

*vs. Christopher B. Epps and Cecil McCrory*; Exhibit “B” - indictment for *United States vs. Carl Reddix*; Exhibit “C” - information for *United States vs. Sam Waggoner*; Exhibit “D” - indictment for *United States vs. Irb Benjamin*; Exhibit “E” - information for *United States vs. Mark Longoria*; Exhibit “F” - indictment for *United States vs. Teresa Malone*; Exhibit “G” - indictment for *United States vs. Guy E. “Butch” Evans*; Exhibit “H” - information for *United States vs. Robert Simmons*; and Exhibit I - indictment for *United States vs. William Martin*).

2. During this time, several corporate entities, including Defendant Sentinel, a provider of offender tracking and monitoring services, paid tens of thousands of dollars in so-called “consulting fees” to Defendant Robert Simmons, and through Simmons these fees were used to pay bribes and kickbacks to then-MDOC Commissioner Christopher B. Epps. Because of these bribes and kickbacks, Commissioner Epps awarded, directed and/or extended public contracts, paid for by the State, to Defendant Sentinel.

3. This action seeks compensatory damages, punitive damages, civil penalties, disgorgement of all ill-gotten funds, gains and profits, restitution, and all other appropriate relief on behalf of the State, which bore the cost and suffered significant losses as a result of Defendants’ conspiratorial scheme. Defendants’ actions restrained or restricted trade; artificially fixed, raised and stabilized prices and denied free and open competition. Accordingly, this action seeks all forms of relief available for each violation under applicable law.

4. Attorney General Jim Hood brings this action on behalf of the State in its proprietary capacity, and on behalf of local governmental entities within the State, pursuant to the Attorney General’s authority under Miss. Code §§ 7-5-1, 75-21-1 *et seq.*, 97-43-1 *et seq.* and 25-4-105. The State brings this action exclusively under the laws of Mississippi, and to the extent any claim or factual assertion herein may be construed as stating a federal claim, the State

disavows that claim. The claims asserted are brought solely by the State and are independent of any claims that individual citizens may have against Defendants. Accordingly, any attempt by Defendants to remove this case to federal court would be without a basis in fact or law.

### **PARTIES**

5. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

6. Plaintiff, the State of Mississippi, is a body politic created by the Constitution and laws of the State; as such, it is not a citizen of any state. Jim Hood is the State's duly-elected Attorney General. The Attorney General brings this action on the State's behalf, pursuant to the authority granted to his office by Miss. Const. art. 6, § 173 (1890) and by Miss. Code § 7-5-1.

7. Defendant Christopher B. Epps was the Commissioner of MDOC during all relevant times in this action and is a resident citizen of Rankin County, MS. He is currently in federal custody and awaits sentencing in 2017.

8. Defendant Robert Simmons was a resident citizen of Harrison County, MS. He was sentenced to 87 months in federal prison and will begin serving his sentence in late 2016.

9. Defendant Sentinel is a Delaware limited liability company, with its principal place of business at 201 Technology Dr., Irvine, CA 92618. Service can be made to Corporation Service Company at 5760 I-55 North, Suite 150, Jackson, MS 39211.

10. Defendant Does 1 through 5 are individuals, corporations, limited liability companies, partnerships or other entities that participated in the conspiracy. The identities of these Defendants are unknown to the State until adequate discovery is allowed.

### **JURISDICTION AND VENUE**

11. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

12. This Court has jurisdiction over the subject matter of this action pursuant to Miss. Const. art. 6, § 156 (1890) and Miss. Code § 9-7-81, because the amount in controversy exceeds \$200 and the subject matter is not exclusively cognizable in some other court.

13. This Court has personal jurisdiction over those Defendants who are resident citizens of Mississippi and over Sentinel because it has engaged in systematic and continuous business activity in Mississippi, and because a substantial amount of Sentinel's conspiratorial and unlawful acts occurred in Mississippi and were intended to—and in fact did—cause substantial harm to the State.

14. This Court is the proper venue under Miss. Code § 11-11-3(1)(a)(i), because Defendant Christopher Epps resides in Rankin County, Mississippi and substantial acts and omissions complained of herein occurred in Rankin County, Mississippi.

### **FACTS**

15. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

16. From approximately 2012 through 2014—Defendants Christopher B. Epps, Robert Simmons and Sentinel knowingly and intentionally conspired to devise schemes using overt acts such as bribery, kickbacks, unfair and deceptive trade practices, misrepresentations, fraud, concealment, money laundering, fraudulent use of “sole source” contracts when competitive bidding was required and other wrongful conduct, all with the intended purpose, and effect, of defrauding the State.

17. In essence, the scheme worked like this: then-Commissioner Epps, Simmons and Sentinel had a “backroom” relationship or agreement. Sentinel paid Simmons tens of thousands of dollars in so-called “consulting fees.” Simmons then paid a portion of those fees as bribes and kickbacks to Epps, in exchange for MDOC awarding public contracts to Sentinel. Defendant

Sentinel was a willful participant in the scheme insofar as it knew—had every reason to know or should have known—that the money it was paying Simmons was being used to pay bribes and kickbacks to Epps for the purpose of obtaining and retaining public contracts.

**Defendants’ Scheme to Defraud the State**

18. Defendant Christopher B. Epps worked for MDOC for 32 years and was appointed Commissioner of MDOC in 2002. As Commissioner, Epps was “responsible for the management of affairs of the correctional system and for the proper care, treatment, feeding, clothing and management of the offenders confined therein.” Miss. Code § 47-5-23.

19. In July of 2012, Sentinel sought and obtained business from the State as it related to public contracts managing MDOC offenders sentenced to probation or parole. (*See* Exhibit “H” at ¶ 3).

20. Also in July of 2012, then-Commissioner Epps and Defendant Robert Simmons entered into a “backroom” relationship or agreement with Defendant Sentinel, pursuant to which Sentinel would pay Robert Simmons \$4,000 per month in so-called “consulting fees,” from which Simmons would directly deposit \$1,400 per month in Commissioner Epps bank account. (*See* Exhibit “H” at ¶¶ 4 & 5).

21. Based on these bribes and kickbacks, then-Commissioner Epps awarded, directed and/or extended public contracts, paid for by the State, to Defendant Sentinel to manage MDOC offenders sentenced to probation or parole. (*See* Exhibit “H” at ¶¶ 12 & 14).

22. At all relevant times, Defendant Robert Simmons was acting in the course and scope of his employment and/or in furtherance of the interests of Sentinel. Defendant Simmons was an actual or apparent agent, acting with actual or apparent authority, on behalf of Sentinel. Therefore, Defendant Sentinel is liable for the actions of Simmons as an employee, statutory

employee or agent. Moreover, Defendants Sentinel and Simmons pursued a common plan and course of conduct, acted in concert with, aided and abetted and otherwise conspired with one another, in furtherance of their common scheme to defraud the State.

23. Defendant Sentinel knew, or should have known, that the “consulting fees” it was paying Defendant Simmons were being used to pay bribes and kickbacks to assure that Defendant Epps would award public contracts, paid for by the State, to Sentinel.

### **Criminal Charges and Guilty Pleas**

24. Epps resigned as Commissioner of MDOC on November 5, 2014, and the next day he was indicted on federal charges for participating in the conspiracy described herein. He pleaded guilty on February 4, 2015. (*See Exhibit “J” - Plea Agreement for United States vs. Christopher B. Epps*).

25. Defendant Robert Simmons was charged by information on February 11, 2016, on federal charges for participating in the conspiracy described herein. He pleaded guilty on February 19, 2016. (*See Exhibit “K” - Plea Agreement for United States vs. Robert Simmons*).

### **Mississippi’s Competitive Bidding Requirements**

26. Miss. Code § 31-7-13 sets forth the mandatory bidding requirements for State purchases of \$50,000 or more. It sets out broadly what purchases require competitive bidding and narrowly what purchases are exceptions to that requirement. The purposes of the Mississippi system of “competitive bidding” are to obtain the lowest price, to create a level playing field for suppliers, and above all, to frustrate corrupt conspiracies.

27. Contrary to Miss. Code § 31-7-13, Defendant Epps, as needed to benefit Defendant Sentinel, made findings that exceptions to the “competitive bidding requirement” were applicable to some or all of the contracts described herein, when in fact, there were no circumstances justifying the award of “no-bid” contracts. In fact, multiple qualified contractors

would have been available to perform all of the services for which the “no-bid” contracts were awarded to Sentinel.

28. The market for probation and parole monitoring services is competitive. In addition to Sentinel, there are many participants. In truly competitive markets, Sentinel would have had to compete with many potential rivals for the Mississippi contracts.

29. As a bribe to facilitate the award of these public contracts, Sentinel agreed to pay Robert Simmons and Christopher Epps an aggregate of \$48,000 per year.

### **Proceeds Derived from Defendants’ Conduct**

30. Defendants’ conspiratorial scheme was successful. Between 2012 and 2014, Defendant Sentinel received the proceeds from public contracts paid for by the State for probation and parole monitoring services.

31. Defendants knew, or should have known, that they were participating in a conspiracy to defraud the State, through the payment of “consulting fees” that were being used to pay bribes and kickbacks to a State official in exchange for public contracts (“no-bid” / “sole source procurement” or otherwise), awarded by MDOC, and paid for by the State.

32. Moreover, by retaining Robert Simmons as an agent to obtain these contracts, Defendant Sentinel is liable not only for its own wrongful actions, but also for the wrongful actions of its agent, Simmons.

### **CLAIMS FOR RELIEF**

#### **COUNT I VIOLATIONS OF MISS. CODE § 25-4-105**

33. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

34. At all relevant times, Defendant Epps was a “public servant” within the meaning of Miss. Code § 25-4-103(p)(i).

35. Defendant Epps, while a public servant, “use[d] his official position to obtain, or attempt to obtain, pecuniary benefit for himself other than that compensation provided for by law,” in violation of Miss. Code § 25-4-105(1).

36. Defendant Epps, while a public servant, was “interested, directly or indirectly, during the term for which he shall have been chosen . . . in [several] contract[s] with the [S]tate,” in violation of Miss. Code § 25-4-105(2).

37. Defendant Epps, while a public servant, performed services for “compensation during his term of office or employment by which he attempt[ed] to influence decision[s] of the authority of the governmental entity of which he [wa]s a member,” in violation of Miss. Code § 25-4-105(3)(d).

38. Pursuant to Miss. Code § 25-4-113, the Attorney General is entitled to bring this action “against the public servant or other person or business violating the provisions of this article for recovery of damages suffered as a result of such violations.”

39. The Attorney General brings this action against Defendants Epps, Simmons and Sentinel pursuant to Miss. Code §§ 25-4-105 and 25-4-113, and demands recovery of all money paid by the State as a result of the aforesaid misconduct.

40. Miss. Code § 25-4-113, provides that the State is entitled to a declaration by this Court that all pecuniary benefits “received by” Defendant Epps, or “given by” Epps to the other Defendants, irrespective of actual damages, “shall be declared forfeited by a circuit court of competent jurisdiction for the benefit of the governmental entity injured.” The State demands under said law, the forfeiture to the State of all money paid to Epps as alleged herein, and the forfeiture to the State of all money paid by the State to Defendant Sentinel.



41. Pursuant to Miss. Code § 25-4-113, the State, at the discretion of the Court, may also be awarded costs of court and reasonable attorneys' fees, and the State demands such costs and fees from Defendants.

**COUNT II  
VIOLATIONS OF RACKETEER INFLUENCED  
AND CORRUPT ORGANIZATION ACT**

42. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

43. At all relevant times, Defendants were or are an enterprise within the meaning of Miss. Code § 97-43-3(c).

44. Beginning in 2012 and continuing through 2014, the exact dates being as yet unknown, Defendants associated together to establish a criminal partnership with the common goal of circumventing State laws on competitive bidding and trading cash for State contracts. Defendants accomplished this goal through a pattern of racketeering activity, in violation of Miss. Code § 97-43-1 *et seq.*

45. Defendants conspired to commit and then actually committed a pattern of racketeering activity—a series of crimes including, but not necessarily limited to, commercial bribery in violation of Miss. Code § 97-9-10 and bribery to conceal offenses in violation of Miss. Code § 97-9-9, with the intended purpose of compelling the State to pay funds to Sentinel. Predicate offenses include, but are not necessarily limited to, (1) each periodic payment made by Defendant Sentinel to Defendant Simmons and/or to persons or entities affiliated with Simmons, and (2) each transfer of funds made by Simmons to or for the benefit of Defendant Epps. Through their pattern of racketeering activity, Defendants directly and indirectly conducted and participated in the affairs of MDOC and acquired and maintained an

interest in, and control of, MDOC. Acting with criminal intent, they also used the proceeds derived from this pattern of racketeering activity in the operation of MDOC.

46. As a direct and proximate result of Defendants' conduct, the State has been harmed and has suffered damages. Also pursuant to § 97-43-9(2), the State is entitled to forfeiture by the Defendants of all property "derived from, or realized through, conduct in violation" of Miss. Code § 97-43-1 *et seq.* The State demands judgment for all such damages and demands the forfeiture of all funds wrongly paid to Sentinel by the State.

**COUNT III  
VIOLATIONS OF THE MISSISSIPPI ANTITRUST ACT**

47. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

48. The Defendants' actions violated provisions of Mississippi law governing "Trusts and Combines in Restraint or Hindrance of Trade," or the Mississippi Antitrust Act (Miss. Code § 75-21-1 *et seq.*).

49. As described herein, Defendants entered into a continuing agreement, understanding or conspiracy to restrain trade and to artificially fix, raise and stabilize prices for various goods and services sold to the State.

50. The Defendants' anticompetitive conduct prevented competitive bidding, and thus, precluded competition on price and quality in the offender tracking and monitoring services market. Other vendors would have been available to compete for the above-referenced contracts. Sentinel's payments of bribes and kickbacks to Epps and Simmons also caused Sentinel to incur higher costs, which were passed on to the State. Sentinel's conduct thus prevented the State from obtaining a competitive market price for the services it purchased, raising prices above competitive levels, as described herein.

51. But for the Defendants' anticompetitive acts, the State would have been able to purchase these services at lower prices or at legal and competitive prices.

52. The State is entitled to damages pursuant to Miss. Code § 75-21-9 and to penalties pursuant to Miss. Code §§ 75-21-7, 75-21-9 and 75-21-15.

53. Defendants' unlawful and unfair business practices have therefore caused the State to pay supra-competitive and artificially-inflated prices for services, and each purchase constitutes a violation of the Mississippi Antitrust Act, for which damages the State demands payment from Defendants.

**COUNT IV**  
**VIOLATIONS OF MISS. CODE § 31-7-13 – BIDDING REQUIREMENTS**

54. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

55. Defendants' "no-bid" contracts violated Mississippi's system of open bidding.

56. Miss. Code § 31-7-13 sets forth the mandatory bidding requirements for State purchases of \$50,000 or more. It sets out broadly what purchases require competitive bidding and narrowly what purchases are exceptions to that requirement. The purposes of the Mississippi system of "competitive bidding" are to obtain the lowest price, to create a level playing field for suppliers, and above all, to frustrate corrupt conspiracies.

57. As set forth herein, Defendants' conduct caused the State to enter into wrongful "no-bid" and/or "sole source" contracts. Defendants used untrue and fabricated circumstances as justification for using wrongful "no-bid" contracts.

58. Defendants succeeded in their wrongful "no-bid" contracting, costing the State large sums in overpayment. Defendants derived, directly or indirectly, the fruits of that effort. Therefore, the State demands a return of all profits and reimbursement of all excess costs, for which the Defendants were responsible through their wrongful actions.

**COUNT V**  
**BREACH OF FIDUCIARY DUTY AND AIDING**  
**AND ABETTING BREACH OF FIDUCIARY DUTY**

59. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

60. Defendant Epps, at all times pertinent hereto, owed fiduciary duties of, *inter alia*, care and loyalty, to the State.

61. Defendant Epps breached those fiduciary duties by accepting bribes and kickbacks from persons and/or entities seeking public contracts or through their agents, by causing public contracts to be awarded to such entities and by causing public contracts to be awarded without following procedures required by law.

62. The Defendants (other than Epps), at all pertinent times, had knowledge of Epps' fiduciary duties to the State and provided substantial assistance to Epps that allowed him to breach his fiduciary duties to the State.

63. As a direct and proximate result of Defendant Epps' breaches of fiduciary duty, aided and abetted by the other Defendants, the State has been harmed and has suffered damages, for which demand is made.

**COUNT VI**  
**VIOLATIONS OF MISS. CONST. ART. 4, § 109**

64. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

65. At all relevant times, Defendant Epps was a "public officer" within the meaning of Miss. Const. art. 4, § 109.

66. Defendant Epps had a pecuniary interest, directly or indirectly, in the above-described contracts entered between the State and Defendant Sentinel, in violation of Miss. Const. art. 4, § 109.

67. The Attorney General brings this action against Defendants Epps, Simmons and Sentinel pursuant to Miss. Const. art. 4, § 109 and demands recovery of all money paid by the State as a result of the aforesaid misconduct.

**COUNT VII  
COMMON LAW FRAUD**

68. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

69. Defendants agreed to, and did participate in, a common scheme to defraud the State. Defendants intended to deceive the State by securing public contracts without disclosing the payments to and between Defendants and Epps. Defendants concealed, or misrepresented by omission, the existence of these underlying bribes and kickbacks paid to Epps—if the existence of these payments had been disclosed, the public contracts would not have been awarded or would have been rescinded.

70. As a direct and proximate result of Defendants' acts of fraud against the State, the State has been harmed and has suffered damages, for which demand is made.

**COUNT VIII  
CIVIL CONSPIRACY**

71. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

72. The Defendants' actions constitute a combination or conspiracy of entities to accomplish an unlawful purpose, or to accomplish a lawful purpose unlawfully.

73. As set forth herein, Defendants have committed torts and other wrongful acts against the State, including acts of fraud, breaches of fiduciary duty, unjust enrichment and violations of antitrust laws.

74. Defendants agreed to participate in a common scheme to defraud the State. Defendants intentionally participated in the furtherance of a plan or purpose to obtain funds from

the State. And in furtherance of this plan or purpose, Defendants committed overt and unlawful acts, including acts of racketeering as described herein.

75. As a direct and proximate result of Defendants' conspiracy, the overt acts committed in furtherance of that conspiracy and the torts committed against the State, the State has been harmed and has suffered damages, for which demand is made.

**COUNT IX  
UNJUST ENRICHMENT – RESTITUTION**

76. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

77. Under common law and the Mississippi Code, Defendants must repay any and all funds, gains and profits from the sale of goods or services that were purchased, directly or indirectly, by the State through the contracts described herein.

78. Defendants have enriched themselves unjustly at the State's expense, by engaging in the acts and practices described herein. Therefore, the State demands disgorgement of all ill-gotten funds, gains and profits received by Defendants as a result of their actions.

**DAMAGES AND OTHER RELIEF SOUGHT**

79. The foregoing paragraphs are incorporated here by reference, as if set forth in full.

80. As a result of Defendants' aforesaid misconduct, the State seeks recovery of all available damages, including—but not limited to—compensatory, punitive and exemplary.

81. Because Defendants' conduct constitutes willful, egregious, reckless, fraudulent and wrongful acts against the State, the State seeks punitive damages under Miss. Code § 11-1-65, in an amount that is appropriate and necessary.

82. The State seeks forfeiture by the Defendants of all pecuniary benefits received by Defendants, or otherwise realized by them, directly or indirectly, through the conduct alleged

above, including but not limited to, all money paid by the State from all public contracts described herein.

83. The State seeks rescission of all illegally awarded contracts.

84. The State seeks restitution of all illegally obtained or ill-gotten funds and gains paid by the State to Defendants.

85. The State seeks pre-judgment interest, post-judgment interest, attorneys' fees, court costs, investigative costs, expert-witness fees, deposition fees and any other expenses or damages which this Court deems proper.

86. The State reserves the right to amend this complaint to allege further damages.

**RIGHT TO AMEND PURSUANT TO MISS. R. CIV. P. 15**

87. Under Rule 15 of the Mississippi Rules of Civil Procedure, the State reserves the right to name additional defendants should later facts establish that others are liable.

**JURY TRIAL DEMAND**

88. The State demands a jury trial.

**PRAYER**

Given the above, the State requests that upon final trial hereof, the State be entitled to recover from Defendants all the relief that is sought—including but not limited to, compensatory, punitive and exemplary damages, forfeiture, disgorgement of all ill-gotten funds, civil penalties, pre- and post-judgment interest, attorneys' fees, court costs, investigative costs, expert-witness

fees, deposition fees and any other expenses or damages which this Court deems proper.

Respectfully submitted, this the 8 day of February, 2017.

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rel. THE STATE OF MISSISSIPPI**

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